

The Role of the Bureau of the Budget

The Central Intelligence Agency's annual budget, covering funds and personnel requirements, is prepared and presented to the Bureau of the Budget in the same form and manner as other Government agencies. The overt activities are shown in great detail; however, the covert activities, due to their sensitivity, are presented in summary form. This presentation contains over 600 pages of detailed information. In addition, the Bureau is furnished a book consisting of approximately 164 pages, setting forth the organizational structure of the Agency and including the specific functions of all major components. It is believed that the quantity and quality of information furnished the Bureau is equivalent to that furnished by other Government agencies.

This budget presentation is reviewed in detail by examiners of the Bureau who have been security cleared by the Agency. From this review long lists of questions are prepared which require detailed answers from the Agency. Following this exercise, hearings are held in the Bureau at which time each Deputy Director of the Agency is required to give further justification in support of his request for funds and personnel for his area of operation.

The final hearing which is normally conducted by the Director of the Bureau of the Budget is attended by the Director of Central Intelligence at which time over-all Government policies, international situations and the Administration's viewpoint on the over-all Federal budget are discussed. Based on the results of this hearing and the recommendations of the budget examiners, the Director of the Bureau of the Budget submits his recommendations to the President. When the funds and personnel to be included are finally approved, the Agency prepares the

Congressional submission and makes arrangements through the Bureau of the Budget for the placing of the approved amounts

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Through this budgetary process much detailed information is obtained by the representatives of the Bureau of the Budget relating to sensitive covert operations. During the early years of the Agency, the Bureau of the Budget appeared to be able to do a satisfactory analysis with summary program information. There was no attempt to probe deeply into highly sensitive operations. Currently, however, inquiries are numerous and detailed even concerning programs which have been decided upon as a matter of National Policy.

Examples:

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After the annual budget has been presented to the Congress, other agencies may request supplemental appropriations to cover important unforeseen situations. From a security standpoint, CIA is not in a position to request supplemental appropriations for funds over and above the regular budget for operations which are required because of a new international situation or for other reasons. To cover situations of this nature, the Appropriations Committees of the Congress have agreed to a reserve fund from which the Agency can withdraw funds for unforeseen requirements of more or less an emergency nature. In order for the Agency to receive such funds a request has to be submitted to and approved by the Bureau of the Budget.

In carrying out this process more and more details are being required.

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For example [redacted] justification had to be given as to why CIA had this mission instead of Defense, what kinds of material and equipment were being supplied, where were they being obtained and how was delivery to be effected, who approved the operation and what coordination had been effected



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A Bureau of the Budget representative recently suggested that the Agency brief him on matters to be presented to the Operations Coordinating Board so that he in turn could brief Mr. Gordon Gray prior to the meeting. There have also been indications that the Bureau feels it should pry deeply into our operations in order to satisfy the Congress that the Agency's operations are being carefully supervised by the Executive Branch.

While we are glad to furnish the Bureau any information which it needs to fulfill its responsibilities of compiling and administering the President's budget, we are concerned about the type and degree of questioning to which we are being subjected on an ever increasing basis. We are responsible to the National Security Council. Our programs are carried out pursuant to National Security Council Directives. In the cold war field policy questions of significant magnitude are cleared with the Operations Coordinating Board.

We question whether it is appropriate for the Bureau of the Budget to pry into sensitive substantive and operational matters to the extent which they are now doing and feel that our responsibilities to the National Security Council under P.L. 253 and P.L. 110 as opposed to the Bureau of the Budget's authority and responsibility under Title 31, United States Code Annotated (attached) should be considered by the President's Board.

Authorities of the Bureau of the Budget as Set Forth in Title 31, United States Code Annotated

- A. "...The Bureau, under such rules and regulations as the President may prescribe, shall prepare the budget...and to this end shall have authority to assemble, correlate, revise, reduce, or increase the request for appropriations of the several departments or establishments". (31 USC 16)
- B. "The Bureau, when directed by the President, shall make a detailed study of the departments and establishments for the purpose of enabling the President to determine what changes (with a view of securing greater economy and efficiency in the conduct of the public service) should be made in (1) the existing organization, activities, and methods of business of such departments or establishments, (2) the appropriations therefor, (3) the assignment of particular activities to particular services, or (4) the regrouping of services. The results of such study shall be embodied in a report or reports to the President, who may transmit to Congress such report or reports or any part thereof with his recommendations on the matters covered thereby." (31 USC 18)
- C. "Under such regulations as the President may prescribe (1) every department and establishment shall furnish to the bureau such information as the bureau may from time to time require and (2) ...any employee of the bureau when duly authorized, shall, for the purpose of securing such information, have access to, and the right to examine, any books, documents, papers, or records of any such department or establishment." (31 USC 21)